

STATE BOARD OF FINANCE

May 10, 2022 – 1:00 PM

Summary Minutes

Location:

Via videoconference at the following locations:

Old Assembly Chambers	Governor’s Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Sisolak called the meeting to order at 1:00 pm.

Board members present:

Governor Steve Sisolak – Las Vegas
Treasurer Zach Conine – Las Vegas
Controller Catherine Byrne – via
telephone
Teresa Courier – excused
Benjamin Edwards – via telephone

Others present:

Tara Hagan:	Treasurer’s Office
Jeff Landerfelt:	Treasurer’s Office
Ian Carr:	Attorney General’s Office
Steve Aichroth:	Nevada Housing Division
Michael Holliday:	Nevada Housing Division
John Fisher:	Inland Group
Joey Launceford:	Inland Group
Brian Kristjansson:	Inland Group
Eric Novak:	Praxis Consulting
Thomas Joeptev:	PFM
Fred Eoff:	PFM
Kendra Follet:	Sherman & Howard
Jason Cooper:	NDEP-OFA
Rebecca Palmer:	SHPO
Mario Trevino:	Rise Residential
Wallace Reed:	Rise Residential
Bill Fisher:	Rise Residential
Donald Cunningham:	Rise Residential
Kevin Romney:	Camino Verde Group
Robby Thomas:	Camino Verde Group

Agenda Item 2 – Public Comment.

There was a public comment in Las Vegas from Bill Fisher from Rise Residential. He noted that interest rates moved significantly, however the state has been blessed with a significant amount of American Recovery Plan Act funds. He applauded Nevada as it is one of the

few states that have dedicated a large portion of the recovery funds to projects and affordable housing. He stated numerous projects could use additional gap funding from Clark County or for others in the state leveraged into these tax credit transactions which would deliver nearly 1,000 units in affordable housing. He let the Board know how important these activities are and how meaningful they are for families in need of affordable housing and how these shovel-ready projects are ready to go. He noted that they should consider that these projects may need a lift from the state and the county to work in today's market as time goes forward.

No public comment in Carson City. No written public comment.

Agenda Item 3 – For discussion and possible action – on the Board of Finance minutes from the meeting held on March 8, 2022.

Treasurer Conine moved to approve the minutes. Motion passed unanimously.

Agenda Item 4 – For discussion and possible action: on a resolution designated the "2022C Historic Preservation Bond Resolution"; authorizing the issuance and sale of the State of Nevada General Obligation (Limited Tax) Historic Preservation Bond, Series 2022C; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bond; approving the investment of money in the Consolidated Bond Interest and Redemption Fund of the State in such bond; and providing other related matters.

Deputy Treasurer of Debt Management Jeff Landerfelt presented this agenda item. He noted pursuant to NRS 349.255 the State Treasurer's Office is requesting Board approval of a resolution to issue a taxable general obligation bond in an amount not to exceed \$1,000,000 for Historic Preservation Projects. He noted this is the first portion of \$4,000,000 of funding for Historic Preservation Projects authorized by AB 492 in the 2021 Legislative session. He noted the Board is familiar with bond issuances sold as competitive sales, however in this case the bond fund will purchase the bond as an investment rather than a competitive sale or private placement. The bond fund is a debt service fund that receives the constitutionally required revenues and pays the principal interest in the cost of issuance on all state general obligation debt. He noted that NRS 349 and 355 authorize this method of financing. Advantages of this method include expedited delivery of bond proceeds to the agency, reduce costs of issuance fees, reduce total financing and interest costs, and the debt service payments flow back into the bond fund. He referred to Attachment A in the Board's materials which shows the opinion of an attorney general which attests to the validity of the laws under which the bond is authorized, and the ability of the fund to purchase such investment.

Controller Byrne moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 5 – For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$41,000,000 of Multi-Unit Housing Revenue Bonds (Copper Mesa Apartments), for the purpose of the new construction of a 290-unit family affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited liability company, which will consist of entities owned by CAP Acquisitions, LLC and Wells Fargo Community Lending and Investment, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Steven Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$41,000,000 of Multi-Unit Housing Revenue Bonds for the Copper Mesa Apartments. He noted these bonds will be used to provide for the new construction of a 290-unit affordable family apartment complex in the North Valley areas of Washoe County. He stated that the rental housing will serve 290-unit affordable family households at or below 60% of the area median income. He noted that 30% of the units will be 3 or 4-bedroom units. The development team is the Inland Group, and this is their first project to come before the Board of Finance.

Michael Holliday with the Housing Division discussed the financial structure and noted it is a direct placement with Citibank. The equity of this project is provided by Wells Fargo. The \$41,000,000 in bond proceeds will leverage \$33,493,000 in LIHTC equity from the private sector. He noted that they estimate this will provide 200 construction jobs during this project.

Treasurer Conine moved to approve Agenda Item 5. Motion passed unanimously.

~~**Agenda Item 6 - For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$13,000,000 of Multi-Unit Housing Revenue Bonds (Rochelle Pines Apartments), for the purpose of the acquisition and rehabilitation of a 115-unit senior multifamily rental housing facility located in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Nevada H.A.N.D, Inc. and National Equity Fund, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).~~

Agenda Item 6 has been removed from the agenda and will be brought back in the June meeting.

Agenda Item 7- For discussion and possible action: on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$38,000,000 of Multi-Unit Housing Revenue Bonds (Henderson at Raiders Way Apartments), for the purpose of the new construction of a 304-unit family affordable housing rental project in Henderson, Nevada. The project owner/developer will be a limited liability company, which will consist of entities owned by Rise Residential and 42Equity, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$38,000,000 of Multi-Unit Housing Revenue Bonds for the Raiders Way Apartments. These bonds will be used to provide for the new construction of a 304-unit affordable family apartment complex in West Henderson, Nevada which is South of the new Raiders Headquarters. He noted that this rental housing will provide affordability restrictions to 304 family households. He stated that Rise Residential and 42 Equity are fairly new developers to the state as they had their first project approved in the March Board of Finance for the Cine Apartments in North Las Vegas. This is their second development plan in the state.

Mr. Holliday explained the financial structure and noted that it is a direct placement with R4 Capital Funding and 42 Equity. He added that this project will leverage \$32,030,000 in LIHTC equity with

the issuance of \$38,000,000 in bonds. They estimate that this could create between 300-500 jobs in construction and noted that these projects have 10 to 20 permanent staff.

Governor Sisolak commented on the importance of these jobs and thanked the Housing Division.

Member Edwards moved to approve Agenda Item 7. Motion passed unanimously.

Agenda Item 8- For discussion and possible action: amendments to the State of Nevada Board of Finance and State Treasurer Debt Management Policy to conform to legislative revisions and other requested procedural changes.

Mr. Landerfelt presented the amendments and Debt Management policy. He noted that the primary purpose of the amendments to the State Debt Policy is to conform to legislative changes that were passed in the 81st Legislative Session in 2021 pursuant to Senate Bill 47. He noted this authorized up to \$151,000,000 of Interim Debentures for general operations of the state. There are also changes in the Debt Management Policy related to the Clean Water and Drinking Water State Revolving Funds related to interest rate reduction incentives for borrowers in disadvantaged communities or those who intend to comply with federal equivalency tests. He reviewed another change that allows the State Treasurer to waive reserve requirements for loans evidenced by revenue bonds if the financial metrics warrant.

Treasurer Conine moved to approve Agenda Item 8. Motion passed unanimously.

Agenda Item 9- Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:15 pm.